DOCUMENT RESUME

ED 320 441 FL 018 605

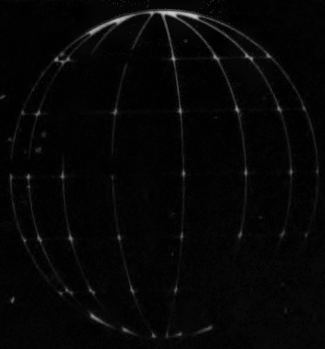
AUTHOR Fixman, Carol S.
TITLE The Foreign Language Needs of U.S.-Based Corporations. NFLC Occasional Papers.
INSTITUTION Johns Hopkins Univ., Washington, DC. National Foreign Language Center.
PUB DATE May 89
NOTE 22p.
AVAILABLE FROM Cashier, National Foreign Language Center, 1619 Massachusetts Ave., N.W., Washington, DC 20036 ($3.00 including postage and handling; checks payable to NFLC).
PUB TYPE Information Analyses (070)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Educational Needs; Foreign Countries; Foreign Nationals; *Industry; *International Trade; Interpreters; Interviews; *Language Proficiency; Language Research; *Language Role; *Second Language Learning; Surveys

ABSTRACT

This study investigated how and when foreign language competence makes a difference in the international operations of U.S.-based corporations, what skills are required, and how companies access them. Thirty-two interviews were conducted in nine companies of varying size and type, with people representing a variety of perspectives in human resources, training and development, line international management, technical, client service, strategic planning, public affairs, and top management (small companies) functions. Most of the people interviewed had served abroad for their firm. Questions focused on foreign language needs within the firms and on relations with outside parties, including joint venture partners, customers, distributors, suppliers, and foreign governments. This report summarizes the findings on the needs of small and medium-sized companies vs. large multinationals, the employment levels at which foreign language skills are important, the types of work calling for foreign language skills, at what locations foreign languages are needed, what skills are necessary, foreign language skills in hiring and career advancement, the use of U.S. expatriates and foreign nationals, corporate use of interpreters and translators, corporate foreign language training, the Japanese market, and the future trends in foreign language needs. A brief bibliography is included. (MSE)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****



"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
R. Lambert
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
X This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

THE FOREIGN LANGUAGE NEEDS OF U.S.-BASED CORPORATIONS

Carol S. Fixman
Temple University

May 1989

COMPLIMENTARY COPY

FL018105

About the Author

Carol S. Fixman is Director of International Programs at Temple University. Prior to that she developed and directed international education programs at the American Assembly of Collegiate Schools of Business as well as in West Germany at the Carl Duisberg Gesellschaft and Konrad Adenauer Stiftung. She received her Ph.D. in German Literature from Brown University and has taught at the University of Bonn in West Germany.

About the *Occasional Papers*

This is the fifth in a series of *Occasional Papers* published by the National Foreign Language Center (NFLC).

NFLC prints and distributes as *Occasional Papers* articles on a wide variety of topics related to foreign language research, education, and policy. The papers are read by an internal review committee. The *Occasional Papers* are intended to serve as a vehicle of communication and stimulant for discussion among groups concerned with these topic areas. The views expressed in these papers are the responsibility of the authors and do not necessarily reflect the views of NFLC or of The Johns Hopkins University.

Copyright 1989, The National Foreign Language Center
at The Johns Hopkins University

The Foreign Language Needs of U.S.-Based Corporations

CAROL S. FIXMAN

Temple University

1. INTRODUCTION

This study, prepared for the National Foreign Language Center (NFLC), is aimed at identifying how and when foreign language competence makes a difference in the international operations of U.S.-based corporations. What kinds of skills are required, and how do companies access them?

The role of foreign languages in U.S. businesses has been examined in the past. In particular, the following studies are noteworthy: Inman 1978 and Berryman (Rand Corporation) 1979. Inman reports data obtained in a mail survey from 184 U.S. companies operating abroad. The Rand Corporation summarizes information from interviews conducted at 43 U.S. firms, 5 foreign firms, and 2 not-for-profit organizations, all with international operations. Small and medium-sized companies are omitted from the Rand Corporation's report, while Inman includes a small number of them. Both authors received information mainly from one representative of each company, usually in the area of human resources. Inman currently is carrying out a follow-up survey.

The NFLC did not seek to replicate these past surveys. Instead, we asked multiple representatives of a variety of companies to help us identify what the main issues are for them today in foreign language competence, and what future trends they see developing in their areas.

I conducted a total of 32 interviews in nine companies of varying type and size. Four of the companies are Fortune 500 industrial firms, including the areas of computers/telecommunications, chemicals, and foods and beverages. One is a major accounting and consulting firm, and one a major money center bank. Two companies register annual revenues between $50 million and $150 million: an import-export firm and an office supplies manufacturer. One company, with revenues under $10 million, manufactures auto repair supplies.

The 32 individuals whom I interviewed represent a variety of perspectives, not only due to the differences in type and size of company, but also as a result of their various positions and backgrounds. All deal with some aspect of international operations. Their functions are as follows:

Human Resources	8
Training & Development	7
Line International Management	5
Technical	3
Client Service	3
Strategic Planning	2
Public Affairs	2
Top Managers of Smaller Companies	2
Total	32

There was some overlap. For instance, one of the technical managers also had responsibilities in line international management. And one of the top managers of a smaller company also fulfilled technical functions.

Most of my interview partners have served abroad for their firm either in short-term (one- to three-week) or longer (one- to three-year) assignments. Four are bilingual or multilingual (Portuguese, Japanese, French, Greek, Italian, German, Spanish); six are of non-U.S. origin (Japanese, Greek, Mexican-German, British).

In each case, I asked questions pertinent to their positions. The questions centered mainly around foreign language needs within their firms, as well as in relations with outside parties such as joint venture partners, customers, distributors, suppliers, and foreign governments.

2. CORPORATE RATIONALE FOR FOREIGN LANGUAGE NEED

In general, businesspeople whom I interviewed tended to view a foreign language as divorced from its cultural context. Most had experienced first hand difficulties arising from different management styles in various parts of the world. They saw cross-cultural understanding as important for doing business in a global economy. However, few considered knowledge of a foreign language a key element in this understanding.

Not surprisingly, the less foreign language knowledge my interview partners had, the more they tended to view languages as a mechanical skill, of only secondary value to cross-cultural understanding. Corroborating this, one multilingual manager added that international businesspeople who can deal only in their own language are blinded by their narrow perspective. As he put it, from their limited vantage point they can manage without foreign language skills; however, they do not know how effective they could be with these skills.

An international human resource manager at a large computer/telecommunications firm provided a case in point. He explained that in some countries, e.g. Korea, where U.S. expatriates of his company do not speak the native language, ". . . they just have a hard time." For him, learning the language would not make a significant difference, since in the larger worldwide scheme of things, his company was experiencing success.

A few of my interview partners who had had extensive international experience observed that business-people with little or no exposure to foreign languages felt threatened by those with more. Thus, in self-defense they relegated language skills to a position of secondary importance and preferred to deal with colleagues more like themselves.

A strategic planner at a large chemical company commented that most U.S. businesses are not dealing well with the rest of the world, largely because Americans basically do not value cultural diversity. In his eyes, businesses deal with foreign languages on an ad hoc basis. When they perceive a specific need, they locate someone to fill it, but no more than that. They do not see the longer-range importance of foreign language skills in developing a global mindset.

This short-term, mechanical value attributed to foreign languages predominated in the comments of most of my interview partners. Many pointed out that foreign languages did not actually present a problem, since they could be "managed." In other words, when needs arose, appropriate skills would be located. As one individual explained: "You can manage foreign languages. It's the culture that trips you up." Even the most intransigent adversary of corporate foreign language training at one firm which I visited readily admitted to the importance of international experience for his company's executives. Like many corporate representatives, he considers foreign language skills something which can be purchased on an ad hoc basis—distinct from international experience, which must be acquired.

3. TYPE OF CORPORATE SERVICE OR PRODUCT AS A DETERMINANT OF FOREIGN LANGUAGE NEEDS

In general, companies in the service sector appeared to recognize more of a primary need for foreign language skills than those in the industrial sector. The basis of the service sector is not a physical product, but rather expertise which has to be conveyed from person to person: e.g. tax and management consulting, auditing, banking. The medium of conveyance in these fields assumes special importance, as was affirmed by a number of my interview partners. The industrial sector, on the other hand, is selling its expertise in the form of a physical product. Though the product must be marketed, it seems somewhat less dependent on interpersonal communication for success.

One issue which deserves further examination is whether, within the industrial sector, certain types of products cause companies to come into more contact with local populations abroad than others. This increased contact with local populations would generate foreign language needs for a U.S.-based company. For example, high-technology companies would generally seem to be less responsive to local needs in each country. They are more likely to rationalize their production globally in order to cover the high cost of research and development (Doz 1980). In other words, operations in one geographic area will not necessarily serve that area alone. In comparison to this, the food industry has to respond to health regulations in individual countries. Also, packaging may need to be rendered more appropriate to each individual area. It is not possible to draw meaningful conclusions about this issue based on the small number of companies which I interviewed. However, it may be worthwhile to pursue it in more definitive studies of factors determining foreign language needs of corporations.

4. GEOGRAPHIC AREA OF INTERNATIONAL INVOLVEMENT AS A DETERMINANT OF FOREIGN LANGUAGE NEEDS

There are several reasons why the geographic area of a company's overseas involvement may have a bearing on its foreign language needs. In some countries companies must be more responsive to local political imperatives than in others. As several of my interview partners pointed out, if a firm operates in a country with restrictions on foreign ownership, local content of products, and numbers of foreign employees, it probably will have more dealings with the local population. More host country nationals will be involved in company operations, either on a primary level (e.g. company employees) or on a secondary one (e.g. government and trade union officials).

Another plausible meaning of geographic location for foreign language needs was suggested by a strategic planner in the food and beverage company which I visited. He suggested that as a firm increases its business in developing countries, it will find that knowledge of English is less widespread in the local populations. Thus, it will become more important for company employees to know the local languages.

In particular, Latin America was named by several companies as an area where it is difficult to find individuals who speak English. Many of my interview partners also indicated that businesspeople and government officials there are more likely to insist on speaking their native language, even if they do know English. This is a matter of pride for them. One executive from a chemical company reported that he had participated in negotiations with a Latin American head of state who, though a Harvard graduate, insisted on conducting negotiations in Spanish with an interpreter. My interview partner showed understanding for this attitude. How many American businesspeople or government officials would negotiate in a foreign language in the United States?

Other countries which were named to me as particularly difficult for conducting business in English include: Japan, Korea, China, and the Soviet Union. This seems to have less to do with local pride and more with the fact that English skills simply are not very common there. In all of these areas, U.S. companies appear to have a greater need to access skills in the local languages.

5. THE SIGNIFICANCE OF CORPORATE CULTURE IN FOREIGN LANGUAGE ISSUES

A corporate culture generally is understood as the particular management style of a company. In all of the large companies which I interviewed, emphasis was placed on employees feeling part of a larger "family." Great importance was attached to loyalty and lengthy service to the company, especially in the upper echelons of management. For example, the 34 senior management officials at the money center bank which I visited had accumulated an average of 20 service years each.

Corporate culture becomes significant in international operations for several reasons. The language and culture of the parent company are the carrier of the corporate culture. Thus, a firm which establishes subsidiaries abroad, or branches in the banking industry, transfers its culture to these operations. Most firms which I interviewed admitted that their corporate cultures could not simply be transplanted to other countries, but had to be adapted. Foreign language needs usually arise in the adaptation process.

For example, the bank which I interviewed sometimes acquires banks abroad. These are banks which frequently have their own corporate identity and need to be integrated into the "corporate mount" of the new parent company. This is accomplished by sending teams to the new location from U.S. headquarters for a transition period of approximately three years. The team needs to be skilled in the local language of the new site. During the transition period, the team trains a second tier of managers—host country nationals—and gradually turns the operation over to them.

A division director at the chemical company which I interviewed agreed that a firm's corporate culture had to be adapted in order to be successful abroad. If you rigidly insisted on managing things as you would in the United States, the subsidiaries would resist. In his view, foreign language helped in the adaptation process. For example, in this particular company safety is viewed as a particularly strong component of the culture. It has established a multicultural team to deal with safety issues in the company's global operations.

A line manager of the food and beverage firm which I visited reported that his company transmitted its corporate culture through training, example setting, and leadership. Last year it established a new plant in the south of France. The individuals selected for leadership roles at this new site were French or third country nationals. They were brought to the United States for training and to assimilate the culture of the company. If their English proved insufficient, they were sent to remedial English classes. Subsequently, the management group attended a team-building exercise for one week. This was conducted in English. However, the most telling point for me was my interviewee's comment that English was used ". . .because no one was capable of doing it in French." Thus, two foreign language needs arose here. One was English as a second language and could be filled. The other was helping the management team from France assimilate and adapt the company culture in their own language. This remained an unfilled, though recognized, need.

Other companies do not acknowledge this as a need. A human resource manager of a computer/telecommunications firm explained that this company's culture was transmitted partly through training programs. He admitted that language problems do arise when participants are from different countries. However, evidently, no interpreters are used. Though some groups are homogeneous and receive training in their own language, this does not seem to be the rule. How are the problems dealt with in heterogeneous groups? "The instructors just have to be careful."

A company's attitude toward adapting its corporate culture seems related to whether it identifies itself as a global company or as a U.S. company operating internationally. Two of the firms which I visited made this distinction to me. One of them has a relatively large number of non-Americans in its senior management team and appeared less interested in superimposing a U.S.-based corporate culture on subsidiaries abroad. The other is implementing plans to transform itself into a global company. Interview partners there were con-

cerned about developing a global mindset among employees. Companies of this type seem more likely to have foreign language needs which arise from adapting their corporate cultures abroad.

Similarly, one might examine the relationship between the degree of centralization in a company and its willingness to adapt its corporate culture abroad. The interviews which I conducted seem to indicate that companies which maintain strong centralized control over overseas subsidiaries see less need to adapt to foreign cultures than do companies which prefer a greater degree of autonomy for their foreign subsidiaries. Conclusive evidence of this would have to be sought in a more definitive study.

6. NEEDS OF SMALL AND MEDIUM-SIZED COMPANIES VS. LARGE MULTINATIONALS

The 1979 Rand Report omitted information on small and medium-sized companies on the grounds that 200 companies were responsible for two thirds of U.S. manufacturing exports. In 1985, the President's Commission on Industrial Competitiveness reported that a mere 1 percent of U.S. industry was responsible for 80 percent of U.S. exports. In the Commission's view, this was because most companies lacked even the minimum information resources required to respond effectively to international competition.

Small and medium-sized companies do not have access to the resources of their larger counterparts to help them function effectively in the global marketplace. To ignore these smaller companies because they are not yet a meaningful part of international competition is to leave out a significant sector of our economy. Furthermore, the interviews which I conducted at three small and medium-sized businesses suggest that it is precisely this sector which needs the most assistance in dealing with a multicultural and multilingual business world.

One significant problem in encouraging smaller firms to export abroad was pointed out to me by a representative of the import-export company which I visited. He observed that smaller U.S. companies seek to export their products mainly when their domestic sales are down. Their interest in exporting then wanes when domestic sales increase. This prevents a company from developing a long-range international strategy and has a negative influence on the long-term success of a company abroad. It also has ramifications for the firm's foreign language needs. A company seeking short-term, quick success is less likely to invest in foreign language training for its employees, much less hire an individual largely for language skills which may not be useful in one year's time.

The smaller companies which I interviewed currently are attempting to export their products abroad. It is interesting that their representatives showed more sensitivity to foreign language and culture needs than many of my interview partners from large multinational companies. A line manager from one large company suggested that her firm had had international operations for so long now that the management's international sensitivity was taken for granted—incorrectly so in her opinion. If a company's awareness of foreign language needs is any measure of international sensitivity, this manager's observation could be applied to most of the larger companies which I interviewed.

In examining multinational firms, it is worthwhile to keep in mind that they deal largely in a world of other multinationals, whose main business language has been English worldwide at least since the end of World War II. As English has become more pervasive in international business, U.S.-based companies perhaps have seen less reason to place a premium on foreign language competency.

Smaller companies, however, enter the global marketplace without the English-speaking networks which their larger counterparts can access. Also, they are dealing in a community of smaller companies, where English language proficiency may not be as prevalent. For example, an executive of one small company which I interviewed explained that he would like to sell his product to "mom and pop" companies abroad, as he does in the United States. However, his lack of foreign language competency makes this extremely difficult, since smaller operations abroad usually cannot deal with him proficiently in English. And he cannot demonstrate his product in the foreign company's cultural context. This individual is so sensitive to the importance of foreign languages that he opens his standard response letter to foreign inquiries with the sentence: "Please excuse my inability to reply in (German)."

The differences between smaller and larger companies' foreign language needs become especially clear in examining their reactions to the planned unification of the European Economic Community (EEC) in 1992. The larger companies which I interviewed anticipated no change in their foreign language needs as a result of 1992. One computer/telecommunications firm has established a major project in its Paris office dealing with the market unification. However they are concerned with reconciling national differences in issues such as pensions, insurance, etc. "Foreign languages are the last thing they are worrying about," explained one manager. In fact, several of my interview partners at large companies speculated that after 1992, their foreign language needs would decrease because the European Community would have a greater need for a common denominator in communication. This would be English.

In contrast, the smaller companies which I interviewed estimated that their foreign language needs would increase in 1992. While the larger companies already operate in European countries, the smaller ones see a clear and sometimes urgent need to enter the European market before it closes to them. This means more than using distributors to sell their products

abroad. They feel compelled to establish an actual presence in Europe in order not to be excluded from that market.

Both of the smaller manufacturing companies which I interviewed are seeking to open a branch in an EEC country. One even intends to manufacture products there. Both of my interview partners were keenly aware of the foreign language needs which they will incur in this process. These needs will not differ significantly from those which larger firms already have, though the smaller companies will have to fill them differently.

7. WHO NEEDS FOREIGN LANGUAGE SKILLS?

In general, my interview partners expressed the view that the farther down the rank hierarchy an American's business associates are, the more important it is for him or her to know their language. Lower-level employees abroad are less likely to be proficient in English. Thus, for instance, someone dealing with wage earners would have a greater need for foreign language skills. This does not necessarily mean that Americans of lower rank need more foreign languages. The type of position plays a part here. For example, engineers who supervise local blue collar workers in constructing a new plant are unlikely to be able to communicate with them in English. They will either have to speak the workers' language or employ a go-between.

Similarly, although country heads in large firms usually occupy relatively powerful positions, they may deal directly with employees in much lower ranks. One former country head was responsible for 13 plants in a Latin American country. He undertook on-site reviews of these plants every month. At first he conducted the reviews in English; however, he found that outside of the capital city, the employees could not communicate well in English. Many individuals who should have spoken up did not. Thereafter he held his reviews in Spanish. It was more important to him that the employees interacted than that he understood every detail. This country head spoke Spanish but took bilingual Latin American employees with him to the plant reviews as a "safety net."

An executive of one multinational company dealt mainly with individuals of his rank when he served as head of European operations. However, the codetermination laws in Germany called for representatives of company wage earners to serve on the Board of Directors. He had to communicate with them. As it was, he used an interpreter. The same was true of another U.S. executive in Holland who had to deal with Dutch wage earners on the company's Works Council.

Only one interview partner contradicted the view that American businesspeople need foreign language skills mainly in dealing with lower-level employees. This was a multilingual public affairs officer at a large company. In his view, individuals in upper-level positions have a greater need for foreign languages, since they are managing international activities of great complexity. If they rely on interpreters, they will view situations only through others' eyes. Furthermore, he pointed out that foreign languages have the longer-term benefit of enabling the speakers to view the world in many ways—from a variety of perspectives. In his opinion, foreign languages are more secondary for a salesperson or technician because their work is less complicated and more practically oriented—"show and tell," as he put it. This view may reflect less smugness toward salespeople and technicians than disappointment with the corporate executives whom he has advised for many years. In any case, it points to the importance which foreign languages can have for corporate executives, even though they themselves often minimize their need for these skills with the explanation that their counterparts abroad usually are fluent in English.

8. WHAT TYPE OF WORK CALLS FOR FOREIGN LANGUAGE SKILLS?

In speaking with corporate representatives, I distinguished between cross-cultural communication within the company and with the external environment. Communication within the firm would, for instance, be between headquarters and subsidiaries abroad, among subsidiaries as well as within individual subsidiaries. The external environment includes business contacts such as joint venture partners, distributors, and suppliers as well as foreign government officials, trade unions, etc.

8.1 Communications with the External Environment

Dealings with the external environment abroad are rendered more difficult by the fact that you do not have the leverage over your communication partner which you might within your own company. You cannot insist that English be spoken. If you are communicating with someone of lesser rank within your company, that person will usually make every effort to render communication easier for you. However, if you are attempting to *negotiate* with an outside business partner or government official, it will usually be to your advantage to facilitate communication. If you work through an interpreter, you still may miss nuances and find it difficult to get your points across exactly as you would like. Furthermore, you will be less likely to understand what the others are saying among themselves, as numerous of my interview partners asserted. A public affairs manager described her discomfort at ". . . going into negotiations in a foreign language when others are whispering among themselves in their languages. They're discussing strategy. It would be very important to understand these conversations."

One human resource manager whom I interviewed pointed out that if you make a cultural or linguistic mistake in cross-cultural communication within your own company, this is not as damaging as it might be in dealing with the external environment. Within your own company you are "all one family," the corporate culture being a strong connecting link. Thus you are more likely

to be given the benefit of the doubt. This is not the case in dealing with individuals outside of your company.

Smaller companies seem to have more difficulty in negotiating with foreign partners. The executive vice-president of a small auto repair manufacturer pinpointed two sales which he had lost because he could not speak the language of his partner, although he did use an interpreter: one in Francophone Africa and one in Austria. He admitted that he did not know how much additional business he was not seeing by not knowing foreign languages.

Companies which I interviewed in the service sector insisted that *employees who deal with clients* must know the clients' language. Thus, for instance, a condition for employment in line positions of the Latin American division of the money center bank which I visited is knowledge of Spanish. In the accounting firm which I interviewed, tax accountants and auditors who deal with subsidiaries of Japanese and Korean companies in the United States must know Japanese and Korean respectively. In neither case are many Americans hired for these positions, since they rarely have the necessary combination of business and language skills.

Human resource managers abroad often deal with *local governmental authorities* regarding visa issues for overseas employees who are Americans and third country nationals. One of my interview partners had served in his company's European headquarters in Switzerland and found that his lack of French proficiency was an obstacle in meetings with the Swiss cantonal authorities regarding work permits. He explained that he could always understand the basics through an interpreter, but the nuances, which frequently were quite important, were difficult.

One aspect of dealing with the external environment which does not necessarily involve person-to-person communication is *strategic planning*. Companies gather information on foreign countries in order to facilitate their planning for that area and worldwide. Almost all of the planners whom I interviewed receive material from their foreign subsidiaries in English. Employees at the subsidiaries abroad both select and translate documents considered important for the planning process. In the event that material is located at headquarters, it usually is faxed to a subsidiary abroad for translation. One medium-sized company and a large one regularly contract out translations in the United States. One company planner hired a Japanese expert at a business school, who evidently used the resources offered by his Asian MBA students to find and translate material on the environment. However, in sensitive areas, the businessman only used resources within his company.

Telecommunications companies need to understand the laws, regulatory schemes, and trade policies of foreign countries, since telecommunications are government controlled in many areas. A manager in one computer/telecommunications company which I interviewed regularly sends documents to outside translators; however, the telecommunications language often presents a problem. Delays occur which have direct repercussions for business. For example, the latest West German telecommunications law evidently was not translated into English for five or six months. Unless you understood German, you could not access it. The English translation of regulatory schemes from Spain lagged behind the original text one year. This manager found solace in the fact that the EEC now is having more of its official documents printed in English, and the Japanese "... are doing better in getting things translated into English... because they want to get into the U.S. market." However, in Latin America, Argentina evidently is the only country whose government distributes telecommunications materials in English.

If companies receive materials in advance of their need, they usually can have them translated. But this manager reported attending a meeting in Paris of the Organization for Economic Cooperation and Development (OECD) at which documents were distributed ad hoc. She could not understand them, nor could the interpreter accompanying her deal with them quickly enough to be of use to her.

Companies which enter into *joint ventures* with foreign companies have foreign language needs deriving from ongoing relations with their business partners. For example, the food and beverage company which I interviewed is a joint venture partner with local bottlers throughout the world. They frequently must deal in the language of the bottler. This currently is presenting a problem in Turkey.

I asked the chemical and computer/telecommunications companies about security problems with joint venture partners. It would seem that the less one understands of a partner's foreign language, the less likely one is to detect theft of technology. Representatives of one firm showed surprise at the question and dismissed it with the explanation that secrecy agreements solved any problems. However, when I asked about China, one of the managers pointed out that the company only shared with that country technology which the firm had already surpassed. A representative of another firm admitted that despite legal agreements to avoid security problems, intellectual property issues did arise on occasion. My limited interviews cannot provide evidence that these problems would cease, if foreign language proficiency were more widespread. However, this does seem to be an area which would benefit from more extensive foreign language skills.

There are many forms of international business partnerships besides joint ventures, e.g. franchise contracts, licensing agreements, and joint research and development projects. In any of these cases, U.S.-based firms need foreign languages in negotiating and maintaining relationships with outside partners.

Companies also have contract relationships with outside affiliates which serve specific needs, such as *importers and distributors*.

The import-export company which I interviewed does 99 percent of its business overseas with local distributors as its partners. If a distributor does not have a good command of English, the company works through an interpreter. Although this company handles exports to 70 countries, it has only several employees (out of a total of 36) with foreign language skills. They were not hired primarily because of these language skills.

A medium-sized manufacturing company which I interviewed saw a greater need for foreign language knowledge in dealing with distributors and importers. The company hired a managerial employee with proficiency in Spanish to handle business with Latin America. Spanish was a prerequisite for this position. The company also employs a secretary from El Salvador who can provide support services in Spanish. The president of the International Division speaks French and German and uses these languages with business contacts. Transactions with Japan currently are handled in English; however, this evidently is not satisfactory, and the company is considering hiring someone with Japanese skills in the future. Following the initial phase of business with distributors and importers, foreign language is important if there are problems, or if you want to change or expand your relations. My interview partner at this firm consciously tries to maintain good rapport with foreign contacts. For example, sometimes when he receives telexes from French or German companies in English, he responds in their language as a matter of courtesy. For administrative follow-up, English is used because most of the staff at headquarters do not have foreign language skills.

8.2 Company-Internal Communication

U.S.-based firms with subsidiaries abroad also use foreign languages for company-internal communication. Different types of positions and situations give rise to various needs. Among my interview partners there was relative agreement as to the needs of *senior management*. Most asserted that English worked as the main vehicle of business communication. If necessary, an interpreter would be used. One executive of a multinational company insisted that even if he were fluent in another language, he would not negotiate in it. This would put him at a disadvantage.

The real value of foreign languages was usually placed at a secondary level, as a tool which would help you understand nuances and social chat with foreign nationals. One executive explained that he would like to understand the conversations that take place on the side of official meetings. Also, he admitted that a lack of foreign languages limits the business contacts whom he can get to know. He avoids individuals who are uncomfortable in English. Furthermore, he views foreign languages as important stepping stones to understanding other cultures. However, he perceives these advantages as ancillary and concluded that he really can ". . . get by almost anywhere in the world without foreign language ability."

For another executive, foreign languages have a social, a "comfort" value. However, he too considered this to be of secondary value. A senior planning official in a multinational company asserted that he can do his job without knowledge of other languages. It just takes longer. In his mind, foreign languages serve more of a good will purpose for executives. Elementary skills help businesspeople socially, as it helps them show that they have an interest in their conversation partner's country.

Most individuals whom I interviewed perceived foreign languages as of only secondary value for executives. However, a few did insist that establishing rapport with a foreigner by speaking his or her language on social occasions was of primary importance for business. One cited the proverbial decisions which are made on the golf course. He and others pointed to the role which languages play in developing a relationship of trust and confidence with a business partner. However, most of my interview partners relegated this role to a position of lesser importance.

An executive in a small company asserted that if he could speak another language, he would gain greater credibility abroad. It would not matter which language this was. He merely wished to demonstrate to foreigners that he did not expect the world to revolve around the United States. Thus, for him a foreign language would help convey an attitude, not just business facts.

In looking at the importance of foreign language skills for senior management, my interview partners in general placed more emphasis on outcome than on process. They usually agreed that speaking a business partner's language could help build confidence and good rapport; however, most concluded that this would not be of "bottom line" value to them. The process of building a long-term working relationship was not of primary significance for them.

It is interesting that even the most ethnocentric company which I interviewed considered it important for its executives of tomorrow to have international experience in order for them to be able to function in a global economy. A manager in one multinational firm pointed out that unfortunately only one member of his company's senior management currently had served abroad on a lengthier assignment. However, it was this one person's contacts abroad which had brought about the largest and most significant business transaction in the company's history. Nonetheless, even this interview partner joined the general consensus that foreign languages are not a key component of the much desired international experience in U.S.-based businesses today.

Another important aspect of company-internal cross-cultural communication is *personnel evaluation*. It

makes sense that in order to be able to assess employees appropriately, it is best to view them in their cultural context. Not many human resource managers pointed to the importance of language in this process. However, one senior manager at a multinational company was very sensitive to the complications of this issue. Perhaps his own foreign nationality (British), extensive experience abroad and knowledge of three foreign languages rendered him especially aware of these problems. He observed that Americans often experience difficulty in dealing with foreigners, even if they are conversing in English. For him, the issue was not so much the ability to speak the other person's language, as it was the ability to understand the reasons for their different behavior. He explained that a foreigner may find it difficult to communicate in English and therefore may not appear especially intelligent to a native English speaker. An American who has never tried to speak a foreign language is less likely to empathize with the foreigners' situation and will tend to judge them as if they were Americans. He recounted his experience with a quality insurance director in an overseas plant for which he was responsible. Although this person was performing well, the U.S. vice-president for quality insurance did not recognize this. To him, the local quality insurance person appeared slow, lacking energy and initiative. The main problem was that the foreign national's English was poor.

An internationally experienced and multilingual manager in another large firm experienced similar incidents. His company's Italian subsidiary hired an Italian salesman according to U.S. standards: he was cool and collected and showed little emotion. Ultimately, however, the company found that he could not communicate well with other Italians, who found him too detached. This same manager recounted another telling incident in cross-cultural personnel evaluation. In conducting a performance review with a Swiss national, a U.S. manager of his company in Switzerland began in the usual American fashion by praising the employee's positive attributes. He complimented the Swiss employee for being loyal and punctual, and then continued on to more negative points. In the end the Swiss was certain that his review had gone well. When the company subsequently decreased his salary, he filed suit against it. In both cases, American managers were not familiar enough with their host country's culture. My interview partner considered knowledge of the foreign language an integral part of that culture.

Many of the companies which I visited named *marketing* as an area with foreign language needs. Individuals involved in promoting a product or service abroad will find it important to know the language of the relevant countries. A manager dealing with Latin America in a computer/telecommunications company explained that brochures from its partners in Spanish sometimes have to be translated for internal use in the United States. This company also developed promotional brochures aimed at Hispanic households in the United States. A U.S. advertising agency was used for this purpose. My interview partner furnished the agency with the main thrust of what they envisioned. The advertising agency then developed it and translated it into Spanish. My interview partner explained that it was important for him to understand the Hispanic mentality for this project. He worked closely with the Hispanic group of his company's domestic operations.

In the lore and literature on international business, examples abound of advertising which was misguided due to linguistic or cultural blunders. For instance, "Body by Fisher" was translated into Flemish as "Corpse by Fisher." Schweppes Tonic Water was promoted in Italy as "bathroom water." And the Chevrolet Nova did not sell well in Latin America, perhaps because *no va* in Spanish means "it does not go."

Technical employees in international operations of U.S.-based companies demonstrated foreign language needs to me in four main areas: (1) plant construction, (2) technology transfer, (3) installation and maintenance of equipment, and (4) troubleshooting.

In constructing new plants, American engineers frequently must supervise local nationals. One large company reported that in building a new site in France, a U.S. team has worked through a French firm acting as a management group. This group has subcontracted to an engineering firm, etc. Thus Americans have not dealt with the North African construction workers and others who do not have knowledge of English. Once the plant is completed, the senior managers, who are not Americans, will be trained in English. They in turn will train others in French. Most companies which I interviewed conduct training sessions in English and use interpreters if necessary.

Another company which is building a plant in China sent U.S. expatriates to start up the plant and conduct training for three to six months. Bilingual Hong Kong Chinese understudy them, serve as interpreters, and become the leading managers when the Americans leave. This seems to be a widespread practice among U.S. companies.

An engineer in a firm installing equipment in Latin America found it difficult to monitor the project with his elementary knowledge of Spanish. Maintenance on equipment abroad seems to be conducted mainly by local nationals.

Companies often dispatch troubleshooters to solve short-term technical problems. One interview partner pointed out that they travel to many different countries and thus cannot possibly speak all of the languages involved. They do deal with local nationals; however, the senior level employees abroad supposedly speak English and act as interpreters.

In general, the companies which I visited considered it rare to find engineers and technical employees with foreign language knowledge in any country. One

individual estimated that one in five engineers with whom he works in Latin America understands English, and some who know English are afraid to speak it. Another interview partner explained that U.S. technical employees have access to only a limited circle of people abroad, since so few of their foreign counterparts know English. He estimated that in each of the subsidiaries usually only one engineer is proficient in English.

Research and development is an area which seems to have relatively unfilled foreign language needs. The individuals who mentioned this area to me had observed that few American researchers had foreign language skills. A recent article in the *New York Times* (January 29, 1989) reported on a Japanese initiative to form research consortia aimed at developing new superconductors. The Japanese are openly recruiting foreign companies to cooperate in this effort; however, U.S. companies are shying away from this project. One of the reasons cited is the lack of Japanese knowledge on the part of U.S. researchers.

A senior manager at a large chemical company emphasized that international interfacing in research requires good cross-cultural communication skills. Suggesting that Americans were not keeping up with these needs, he predicted that in 25 years the head of the company's Japanese laboratory would be Japanese.

9. WHERE ARE FOREIGN LANGUAGES NEEDED?

English is the business language of all of the companies which I visited. This includes communication within headquarters, between subsidiaries and headquarters, as well as among subsidiaries. Some foreign subsidiaries use the host country language as well, especially when most of the employees are host country nationals. However, in the firms which I interviewed, English prevails in all official communications. It is not surprising that most foreign language needs occur in U.S. companies' operations abroad. For it is there that they are dealing with foreign nationals both within and outside of the firm.

Several interview partners expressed surprise at my suggestion that foreign languages might also be needed at their U.S. headquarters. This would not be to deal with foreign employees in the United States. For as managers assured me repeatedly, English is an absolute prerequisite for employment in their American offices. Indeed companies seem poorly equipped to communicate in any language but English from headquarters.

One multilingual technical manager illustrated a case in point. When he first began communicating abroad in Spanish and German, he was told that the Hewlett-Packard computer used for electronic communication had no provision for foreign language symbols such as accents and the German umlaut. With a great deal of effort he discovered that the computer did have these capabilities. Evidently no one in the company had ever used these symbols, for no one could help determine how to produce them on the computer. My interview partner found it indicative that both Hewlett-Packard and IBM produce these foreign symbols through a code combination of several keys, rather than through separate individual keys, which would be more user friendly. This suggests that the many U.S. business offices relying on Hewlett-Packard and IBM have little use for foreign languages in their written communications.

Businesspeople headquartered in the United States who are proficient in other languages reported to me that they use these skills where others would resort to English. One bank executive explained that in dealing with foreign affiliates or clients both in the United States and abroad she speaks Spanish, if she finds that these skills are better than her conversation partner's English. Being aware of sensitivities, she broaches the subject by explaining that she would like to practice her Spanish. These conversations are both in-person and on the telephone.

An engineer at a computer/telecommunications firm speaks with Latin American partners or affiliates once weekly by telephone. Since his Spanish is elementary, a bilingual employee usually helps on the speaker phone. He has great difficulty communicating with Colombia, as his partners there do not have speaker phones.

Telephone conversations present problems in several companies. Not only is this type of communication among the most difficult since body language and facial gestures are missing, but calls sometimes come unexpectedly. This is so much of a problem for one large company that it has compiled a list of "standby interpreters" to assist with telephone calls in foreign languages. The interpreters are company employees (at headquarters) who happen to have foreign language skills.

An executive in a small company explained to me that he has to request a conversation partner who speaks English when he calls abroad. Often he has to wait five minutes or longer until someone can be located. If he has the name of an English speaker, he sometimes chooses to place a person-to-person call, in order to avoid initial difficulties.

A senior manager in a medium-sized company has found that since most of his secretaries do not speak a foreign language, he has had to instruct them in minimal telephone etiquette in dealing with foreign language speakers. For example: do not shout, speak slowly and clearly, avoid slang. If the secretaries have never tried to speak another language, they often cannot empathize with the other person in this situation.

A large accounting firm has Japanese and Korean practices in several of its offices in the United States. There are 100 bilingual English-Japanese staff located in 15 offices throughout the country. The number of Korean employees is evidently smaller. These practices service subsidiaries of Japanese and Korean companies located in the United States. There are also several English-

German bilinguals dealing with subsidiaries of German companies in the United States. Thus, although foreign language needs may arise more frequently abroad, companies also require language skills in their U.S. offices.

10. WHAT TYPES OF FOREIGN LANGUAGE SKILLS ARE NECESSARY?

All of my interview partners corroborated that where foreign languages are called for, fluency is necessary for substantive business matters. However, this is not to say that U.S.-based companies demand foreign language fluency of their employees. (See Sections 11, 12, and 13.) Someone has to be able to negotiate, maintain working relations, assure technology transfer, construct new plants, install and maintain equipment, etc. with foreign affiliates and partners. As businesspeople at headquarters usually cannot do this because of language problems, a solution for each individual situation is sought—through interpreters and translators, outside contractors, or foreign national employees in subsidiaries abroad.

One manager in a large company cautioned that aiming for anything less than fluency awakens false expectations in business transactions. However, he admitted that for social purposes, elementary skills may do.

In general, basic, "survival" skills in a foreign language were cited to me by most of my interview partners as their main goal and that of their colleagues, if they sought to learn another language at all. This is not to say that they could not have used fluency for their business. They merely did not expect to achieve a high level of proficiency and thus would seek assistance when this was necessary.

I asked representatives of each company which I interviewed what type of foreign language skills they deemed necessary for U.S. executives. Almost all agreed that in-depth knowledge was not essential. Many added that an executive deals with numerous parts of the world and cannot learn all of these languages proficiently. Most agreed that superficial knowledge of a number of languages is a more realistic goal for someone in senior management, in order that he or she can carry on a social conversation with peers abroad.

Upper level businesspeople seem to consider oral skills more important than written ones. Perhaps this is because they intend to use the skills in a social context, which would mainly be spoken.

Those who are proficient in foreign languages use reading and writing skills as well as speaking and understanding. However, one bilingual manager pointed out that he did not write in another language frequently because his monolingual American colleagues needed access to these documents as well. An executive of a small company would like to be able to write letters to his partners and prospective clients abroad in their languages. He explained that he once interviewed someone with knowledge of French; however, this person could not compose a business letter and thus was of no use to the company. Currently his firm's letters are composed in English. The executive manages to understand the small amount of incoming correspondence written in other languages with the help of a German-born employee, his own high school French, and an occasional outside translation.

One senior technical manager whom I interviewed at a large company suggested that technical employees do not need to write much in foreign languages, but they should be able to read newspapers and technical manuals. For this, an elementary reading ability would suffice. He indicated that a technical vocabulary is limited, even in English. Oral skills are necessary for those technicians who interact with foreign nationals. (See Section 8.)

11. THE IMPORTANCE OF FOREIGN LANGUAGE SKILLS IN HIRING AND IN CAREER ADVANCEMENT

In general, foreign language skills do not seem to play an important role in either hiring or career advancement. Most companies concurred that all things being equal, foreign language knowledge would give a candidate an edge. However, rarely would a company hire an individual primarily for these skills. Technical expertise was seen as more important. An executive at a medium-sized company provided an exception to this. If his firm opens an office in Europe, foreign language knowledge will be of primary importance for the director there. The U.S. executive would even be willing to train an individual in the business end, if he or she brought the necessary language proficiency. He, however, remained an anomaly among my interview partners.

The larger companies which I visited rarely hire individuals from outside of the company for assignments abroad. The Americans whom firms transfer abroad are usually selected from the ranks of their domestic operations. Since these U.S. employees were originally brought in for domestic operations, it is not surprising that foreign languages were not important in the hiring phase. I could find few companies which requested information on foreign language skills on their application forms. One large computer/telecommunications firm had included this information on its application form in the past, but has now removed it. Though this particular example does not appear to be a good omen, perhaps as U.S. firms begin to view domestic operations as part of their global business, foreign languages will take on greater significance in seeking new personnel.

My interview partners in large companies were confident that when foreign language skills were needed, they could be found in their company. An executive of a large accounting firm explained that they had a data base on 20,000 employees, including their foreign language skills. This company does request a self-evaluation of

foreign language skills at the time of hiring, though this information evidently is not updated subsequently. The executive explained that if personnel officers received a request to send someone abroad, they could usually find someone with the necessary language background. A disproportionate number of these are Mormons who have acquired foreign language skills through their earlier missionary work. Others are individuals who studied a language in high school and then take refresher courses before departing for abroad. Nonetheless, my interview partner admitted that this was not sufficient to fill the needs of the company.

One reason for this is that the firm mainly hires individuals directly from their undergraduate studies. The nature of their work requires them to have studied accounting, and undergraduate business programs usually do not have a foreign language requirement. If the company hired people with MBAs, it might have more employees with undergraduate liberal arts degrees including a foreign language component.

The large chemical company which I interviewed has a similar problem. In the last two years, it has started hiring graduates of international business studies programs such as the University of South Carolina's Master of International Business Studies (MIBS). Technical expertise is important in this firm. Thus, an executive explained that he is trying to encourage graduate international business programs to recruit more undergraduates with technical degrees. This company would not assign these graduates abroad immediately. But as they spend their initial years becoming familiar with the company's operations, their international outlook could have a positive influence on other employees, my interview partner explained.

I could find no companies which directly included information on foreign language skills in performance reviews of their employees. One internationally experienced executive pointed out that companies look at whether you are getting your job done. If you fail to do so because of poor communication, then you will receive a poor evaluation. Thus, foreign language is not assessed as a separate skill. But if it is necessary for your job, it will make a difference in a performance review.

In general, my interview partners did not deem foreign language skills important in career advancement. However, international experience in general was viewed as meaningful. Here, as in companies' perceptions of what is key for senior management, foreign languages do not play into their considerations, while the more general category of international experience does. Again, foreign language proficiency seems to be viewed as a skill separate from and less important than its cultural context.

12. U.S. EXPATRIATES

One bank executive with 15 years of service abroad for his company recounted to me how international staffing had changed over this period of time. When he first went overseas, almost all key positions in the company's branches were held by Americans. U.S. expatriates typically remained in one country for longer periods of time and did not move from post to post, as is more common today. Since they lived in one country longer, most of them learned to speak the language. Further incentive for learning the language was provided by the fact that each branch abroad was managed almost like a separate entity. This executive explained that today expatriates are more mobile. They move to different areas with their specialty (e.g. foreign exchange trading). As a result, they do not have as great a stimulus for learning the language of their host country.

Most U.S. expatriates assume upper-level managerial or technical positions abroad. However, country head positions usually are occupied by host country or third country nationals in the firms which I interviewed. Several individuals explained that in newer regions of involvement, the top positions tend to be held by Americans because host country nationals there have not had time to rise through the company ranks yet. A representative of a company which still employs a large number of Americans as country heads estimated that his firm gradually would begin replacing these expatriates with foreign nationals. This may be partially a financial consideration, since on the average it costs a company triple an employee's U.S. salary to assign him or her abroad. Americans are some of the few people to be taxed universally, and the company usually pays relocation costs and other perks abroad, as well.

However, one executive at a large company contended that few Americans were country heads because they did not have the necessary foreign language skills. A personnel director of another large company explained that her firm had an international network of professionals who could transfer to most places in the world. However, these usually were not Americans because of the foreign language component.

My interview partners cited three main reasons for assigning U.S. expatriates abroad:

1. personnel development, i.e. offering individuals the opportunity to gain international experience;
2. skills which are needed abroad;
3. control over a foreign subsidiary.

Of these, the first two reasons were named as particularly important, while the control function was of the least significance. Companies in general gave me the impression that assignments abroad are relatively popular among employees. It remains unclear if this is for financial reasons, if the candidates anticipate career advancement through a post abroad, or if they simply are fascinated by the adventure of going overseas.

In the past, it has often been said that U.S. businesspeople avoid overseas assignments for fear that they will lose touch with the mainstream of their organization and forfeit job opportunities. Actually, many managers

whom I interviewed reported that promising young employees would frequently be sent abroad in order to prime them for more responsible positions later. Perhaps the importance of the global economy is gradually making itself felt here. Nonetheless, companies do recognize candidates' apprehensions about being forgotten in the short run. One firm has responded to this with a program which matches each U.S. expatriate abroad with a sponsor at headquarters. Sponsors keep the expatriates abreast of developments in the home office and make them aware of potential positions for their return to the United States.

U.S. expatriates usually remain on an overseas assignment for an average of three years. One company reported that it is considering lengthening this to five years to increase cost effectiveness. Some expatriates are sent abroad for shorter periods. For example, a technical manager in a large chemical company currently has 100 technicians working in various countries on projects lasting a maximum of two years. Shorter stays abroad of one to three weeks are also common. These serve a wide variety of functions, such as negotiating, maintaining communications with subsidiaries, providing project supervision, and installing and testing equipment.

As mentioned above, U.S.-based companies currently tend to send fewer American expatriates abroad on longer assignments. Most of the companies which I interviewed identified under 1 percent of their worldwide employees as U.S. expatriates. In absolute figures, this translates, for example, to 60 out of 60,000 individuals in one case and 1,400 out of 400,000 in another. For its line manager positions in Latin America, a large bank employs approximately 60 percent from Latin America and 40 percent from the United States. However, the 40 percent includes many green card holders and immigrants. This is mainly because Spanish is a prerequisite for these positions.

13. THE ROLE OF FOREIGN NATIONALS

As indicated above, foreign nationals are playing an increasingly important role in the overseas operations of U.S.-based companies. This is true of smaller companies as well as larger ones. Smaller firms often contract the services of local distributors or representatives to sell their products abroad. These host country and third country nationals are usually bilingual and compensate for the lack of foreign language skills in the U.S. firm.

Smaller and larger companies both employ foreign nationals at their U.S. headquarters. They do not seem to be employed in large numbers; however, more important is the fact that their cultural and linguistic background rarely is a primary reason for their having been hired. I have cited examples of companies using language skills of this group. However, not all foreigners feel that their background is taken advantage of. A senior level manager in a large company claimed that his foreign origin had not been important in his being hired. In fact, he finds that people in the company have difficulty relating to him. As a result, he downplays his international background rather than encouraging others to take advantage of it.

Overseas subsidiaries of most of the large companies which I interviewed are staffed by foreign nationals. Even the one company which did not fit this pattern seems to be moving toward replacing U.S. expatriates with foreign nationals abroad. Some companies recruit foreigners outside of their own countries. For example, several firms mentioned that they were seeking Mandarin and Japanese speakers in the United States, Canada, Australia, and Hong Kong. As I mentioned in a previous section, some companies hire foreign nationals as understudies to U.S. expatriates and go-betweens to the local population when initiating an operation in a new area, e.g. China. Ultimately, the Americans depart, leaving the understudies to assume the management.

Most companies bring foreign employees from abroad to U.S. headquarters, if they are promising candidates and hold managerial positions or need to be trained in particular skills. Generally, their stay in the United States lasts from several weeks to one year. Classes in English as a second language are funded for them, if remedial instruction seems appropriate. There was no indication that headquarters used the foreign employees as a resource to provide U.S. employees with information on other countries, or even as a stimulus for them to acquire foreign language skills. It is not surprising that most companies are equally disinclined to take advantage of returning U.S. expatriates in this way. One firm which invites past expatriates to participate in orientation and repatriation workshops for new and returning transferees is an exception.

U.S.-based companies also hire foreign nationals as independent contractors to provide specific services abroad. An example was cited earlier of a company which hired a management group in France to provide for the construction of a new plant. The bank which I interviewed hires local management consulting firms with bilingual staff to assist them with negotiations in regions where the bank employs no local nationals. This is typically the case in new areas of involvement.

14. CORPORATE USE OF INTERPRETERS AND TRANSLATORS

For the purposes of this study, I will define interpreting as an oral skill and translating as a written one. The companies which I interviewed rarely had in-house translating and interpreting services. Exceptions were an occasional large company which had a technical translation division mainly for translations from foreign languages into English. However, as I have indicated previously, most documents are translated abroad by company subsidiaries. The advent of the fax machine has expedited this process immensely, especially for languages with non-Latin symbols such as Chinese,

Japanese, and Russian. Before the fax was in use, documents in these languages could not be dispatched abroad instantly, whereas material in Latin languages could at least be sent by telex and later through electronic mail.

Both large and small companies tend to go abroad for translations from English into a foreign language. They find it both less expensive than in the United States and easier to locate the necessary skills. While larger companies can usually rely on their subsidiaries for this, smaller companies find services through their overseas distributors and other contacts, or through the local U.S. embassies.

The process of locating translation services in the United States seems to be relatively haphazard. Managers of larger companies could not name the services which they used. In most cases, the secretaries are given the responsibility of finding translators. One individual used foreign students at a nearby business school on occasion; however, this seemed to be more an exception than the rule. Many of the larger companies locate foreign language skills among employees at headquarters to fill occasional translation needs. However, smaller companies usually have to hire services when they need translations. Several explained that they were at a loss when it came to locating these services. They usually consulted foreign language schools, the Yellow Pages, advertisements, or the Thomas Register of companies, and, as one admitted, hoped for "a good deal of luck."

Attitudes toward using interpreters varied only slightly in the group of managers whom I interviewed. Most relied on them because they had no choice, to compensate for skills which they themselves did not have. However, they usually found it disadvantageous to communicate through an interpreter. An executive of a small company explained that his personal style, his excitement, and motivation—all important for selling his product—never were conveyed through an intermediary. Furthermore, he could not be sure that the interpreter was representing his comments appropriately. He recounted a meeting with a manager of a Quebec partner company. Through the interpreter—an employee of the Quebec firm—the Canadian side insistently complained that the American company's competitors did "perfect repairs" and that his product provided less than perfect services. This was repeated over and over again, regardless of what the American replied. In addition, the translator sometimes answered for the Canadian business partner. Ultimately communication broke down completely, and the American businessman departed without having solved his problem.

Most of my interview partners objected that interpreters created too much distance between them and their conversation partners. Some added that in open discussion meetings, it is hard to understand the overall structure of the meeting if you have to communicate through an interpreter. There is too much delay, during which comments and sometimes the train of thought get lost. The flow of conversation is disrupted, and transactions take longer than they otherwise would. Despite the disadvantages, a few of my interview partners viewed the delay caused by an interpreter as a useful opportunity to think before responding to a conversation partner, especially during negotiations.

Sources of locating interpreters varied. As in the case of translations, most of the larger companies use their bilingual employees, who however sometimes object to functioning as "just" interpreters. One manager added that at times it was embarrassing to his colleagues for him to "show them up" by speaking a foreign language, especially if they outranked him in the company. However, another executive with extensive experience abroad took a more relaxed attitude and reaped benefits from occasionally serving as an interpreter. If he was interpreting for higher-rank individuals, he had the opportunity to mix with them. If he was interpreting for peers, he was in control. As he put it: "The interpreter always has control."

One executive would prefer to hire an interpreter in Japan, rather than rely on his Japanese business associates. However, thus far the Japanese company has shown reluctance, as they fear this would reflect poorly on their capabilities.

Sources of identifying company-external interpreters include U.S. embassies abroad, the Department of State in the United States, business partners and other contacts overseas, as well as the senior executive service of hotels abroad. One managing engineer is satisfied with the foreign technical students whom he has recruited from U.S. universities for individual interpreting jobs.

Companies do not seem to have developed the means of assessing the quality of translations, unless outstanding errors occur. It may be easier for them to evaluate interpreters, since interpreting skills are demonstrated in personal interaction.

15. CORPORATE FOREIGN LANGUAGE TRAINING

15.1 Who Participates?

For the most part, corporate foreign language instruction is aimed at departing U.S. expatriates. However, one company also has a large number of employees from headquarters participating in language lessons at the moment. In general, expatriates receive too little notice to be able to devote a great deal of time to instruction. The companies which I interviewed gave employees one week's to three months' notice before their departure. Nonetheless, a number of expatriates manage to take language lessons, even if they occupy top-level positions and have extremely demanding schedules. For example, an executive who once served as second in command in a large food and beverage company's Japanese subsidiary took a Japanese immersion course before leaving. One of the top executives in the international division of a large chemical company is currently

completing his second 200 hours of Japanese instruction. Another executive who once served as Technical Director for his firm's Central European office took one year of German lessons for six hours weekly in addition to a two-week intensive immersion course.

Only one company which I interviewed requires that U.S. expatriates have knowledge of their host country language before going abroad. This company has representatives of its overseas offices conduct telephone interviews with the prospective transferees. The company provides instruction when necessary, but will not train individuals without background in the language. Another firm administers an "inventory" developed by a private vendor in order to judge candidates' adaptability potential. Only one question, the last one, refers to the candidates' attitude toward learning foreign languages. No information is requested about prior language experience. Departing expatriates usually participate in administrative and sometimes cross-cultural orientation workshops lasting from two days to three weeks. However, foreign languages normally are not included. In speaking with a representative of one private consulting firm, I learned that this company is currently trying to create a niche for "integrated training" courses which combine cross-cultural and foreign language instruction—undoubtedly a meaningful addition.

The numbers of employees studying foreign languages in any one corporation do not appear to be large. Most companies could not cite meaningful numbers, since their decentralized training divisions rendered an overview difficult to obtain. As an example, the training division for the international private banking sector of a large money center bank currently has only 15 employees par-ticipating in foreign language instruction. They are working on fluency, not basic skills. My interview partner pre-dicted fewer numbers next year because funding for all training will be reduced. This company and others some-times provide language training for third country nationals. However, the emphasis seems to be on U.S. employees.

The international services division of one company which I interviewed is very much an exception, in that it currently has approximately 125 participants in foreign language instruction in five languages: Spanish, German, Italian, Japanese, and French. It is interesting and very much an anomaly that most of these are not expatriates, but employees at headquarters.

15.2 Type and Length of Instruction

Most companies which I interviewed send their employees to general language courses. More specialized instruction may be offered when employees have private tutors. But otherwise lessons aim at developing general skills, mainly with an emphasis on oral communication. Companies do not seem to stratify classes according to any criteria except level of proficiency. Thus, in the company which currently has 125 employees enrolled, clerical and managerial employees would be assigned to the same class.

Some companies explained that they developed individual instruction packets for employees. However, these seem to refer more to level of proficiency than specialized skills needed. One firm attempts to send each participant to three teachers, if possible, in order to expose him or her to a range of accents, not because the teachers might emphasize different skills which the employees need.

The length of instruction depends on the amount of time each individual can devote to lessons. One firm sends expatriates to two-week immersion courses, one week for their spouses. Another company has developed the following guidelines:

1. To achieve social conversation skills, participants should receive 75 lessons (@45 minutes) or five days intensive;

2. For limited working proficiency, 150 lessons or 11 days intensive;

3. For minimal working proficiency, 250 lessons or 18 days intensive;

4. For full working proficiency, 350 lessons or 25 days intensive.

Another company registers employees in two 90-minute lessons weekly and offers occasional "language lunches," in which instructors speak their foreign language with interested employees during lunch.

15.3 Corporate Attitude toward Foreign Language Training

In most companies, representatives found the general attitude encouraging toward foreign language training. Most firms will pay for up to 100 hours of instruction and more if necessary. Lessons are usually provided for families at the companies' cost as well. Most of the firms identify instructional sources for their employees; however, one multinational company left it entirely to the individual to find appropriate training.

A few concerned executives showed a sincere interest in building a cadre of managers receptive to foreign languages. However, even these companies were not so encouraging as to reduce an employee's work load prior to an overseas assignment, in order to provide time for language instruction. Some firms do not permit language lessons to take place during work hours. And, as noted previously, only one company has introduced a foreign language requirement for assignments abroad. A representative of one multinational firm explained that though his company paid for foreign language lessons, few employees took advantage of this. He explained that many go to classes for two weeks, but then stop. In his view, this is because they do not have time—they are not released from work for the period of instruction—and because they do not have adequate incentive to learn another language. As my interview partner asserted, "They do not need foreign languages in jobs abroad."

A senior technical manager in another company provided a counterexample to the above. He assigns approximately 100 technicians abroad on maximum two-year project assignments and requires that they learn the language of their host country. Usually they enroll in four- to six-week immersion programs. Unfortunately, this does not appear to be widespread in the companies which I interviewed.

15.4 Sources of Instruction

In general, sources of foreign language instruction seem to be selected with as little discrimination as translation services. Companies evidently receive an abundance of promotional material from language vendors. One manager whom I interviewed receives approximately 15 telephone calls weekly from instructional sources. The problem is less access to sources, than it is ability to assess them. For most of the individuals assigned to this task, foreign language instruction is only a small, if not minute, part of the training which they must organize for company employees. A few of them have been rotated to this position from other unrelated fields and will continue on to different responsibilities after only a few years. Thus they rarely possess the expertise necessary for evaluating language instruction.

Most companies invite vendors to submit bids for courses. Several are then asked to provide references and to interview with the training division personally. Most firms use several vendors. As one training supervisor explained, it is advantageous to the corporate client to keep the vendors competitive with one another.

In selecting training sources, companies seem to place special emphasis on references and evaluations of past participants. Criteria which they consider particularly important include price, convenience (time and location), and credentials of instructors. Several noted that vendors must have an understanding of the corporate world. For one interview partner, this meant recognizing that corporate students were very busy. For a representative of an accounting firm, this meant a familiarity with an accounting firm mentality, i.e., "introspective, analytical and concrete." A "touchy feely" style of instruction would not be successful in this company, she explained. On the whole, companies do not appear to select vendors on the basis of individual instructional strengths.

Few companies which I interviewed admitted to evaluating the ongoing work of vendors, except to review participant evaluations. One training manager saw no need to assess vendors once she had selected them. She emphasized that her company hired only the best trainers and that she thus assumed that the instruction was top notch. This seems indicative of an attitude which I perceived with a large number of interview partners. They appear to view foreign language proficiency as a commodity which is bought, rather than a skill which is acquired through guided effort, the guidance being purchasable. Foreign language learning seems to be considered an end product—the "bottom line"—rather than a process which needs to be monitored.

Vendors contracted by the companies which I interviewed include Berlitz and Inlingua as the most frequently named. Some firms use local language schools. A few companies work with universities to develop special packets and locate tutors, although this does not seem to be a widespread practice. One firm which I interviewed employs a freelance language consultant from the linguistics faculty of the state university to arrange for testing and language classes for employees. He refers participants to vendors as well as to individual tutors. It is important to the company that he is familiar with their corporate culture.

Though the training coordinators whom I interviewed were without exception competent individuals with many years of experience in their companies, they do seem to be in need of assistance in the area of evaluating language vendors. Some recognize this need, such as the training coordinator at one company who would like access to an annotated directory of foreign language instruction sources. She envisions this as a reference guide similar to Bricker's directory of university-sponsored executive training programs. It should be a guarantee for reliability and contain information on types of instruction available from each source.

16. JAPAN

Japan is one of the largest new areas of expansion among U.S. companies of all sizes and types. However, the cultural and linguistic differences between Japan and the United States render that country one of the most difficult regions of involvement for U.S. industry. Thus, it will serve the purpose of my inquiry to examine this area separately as a case study in current U.S. foreign language needs.

All three of the smaller companies which I interviewed either are involved in or have seriously considered trying to enter the Japanese market. The executive of the smallest firm had even completed a course on doing business in Japan offered by a nearby business school. He ultimately abandoned his plans to export to Japan because it proved too difficult to locate an appropriate partner there. The office supply manufacturer which I visited is currently seeking to expand his business to Japan and is not certain how to deal with the cultural barriers. Currently the international manager ". . . muddles through in English." For the future he is considering hiring a local bilingual Japanese national as a "point-man." In general, he seems unsure as to how best to proceed.

The small import-export company which I interviewed has given up most of its branches abroad, but maintains employees in Japan and Bangkok. This speaks for the importance of these areas. A senior executive of the firm referred to Japan as the single largest export

market for his clients, who are manufacturers of industrial, commercial, and consumer products.

In 1972, when a large accounting firm hired a Japanese tax accountant whom I interviewed, he was the only Japanese working for the company in the United States. Indicative of the importance which Japan has assumed is the fact that the company now employs a staff of 100 to serve Japanese corporate clients in the United States.

Regardless of their size, U.S. companies are finding Japan a difficult area of operation. The larger companies have the advantage of accessing many more resources. And, as one international line manager pointed out, though cultures may differ worldwide, the employees of his firm at least have their corporate culture in common. He applied this observation to Japan as well, though with some hesitation. Less certain that a common corporate culture would make a difference in Japan, a strategic planner in the same company observed that if his firm succeeds in the Asia-Pacific, "... it won't be with Americans at the helm."

This company currently is building a large research center in Japan; however, it is planning to use interpreters to bridge cultural/linguistic differences rather than hire bilinguals. An executive whom I interviewed at a large money center bank would perhaps consider this ingenuous. In his mind, joint ventures in Japan are "... one-way streets, and Americans are going the wrong way." He expressed concern that Japanese partners take what they need from the joint ventures and subsequently recede from the operations. In order to avoid this outcome, it would seem necessary for American businesspeople to understand the goals and modes of operation of their Japanese partners. Knowledge of the Japanese language and culture surely plays a role here.

Examples have been cited earlier of U.S. businesspeople who are making an effort to learn Japanese. However, in general, companies do not seem to require language skills for U.S. employees in Japan. Even one company which normally did require foreign language knowledge of expatriates claimed that it could not demand that they learn Japanese. It had given up hopes of training anyone to a level of fluency in Japanese after immersion courses had been unsuccessful.

Countering this resigned attitude, another manager cited several cases in which a British firm had sent employees to Japan to learn the language. He added that almost every Japanese company has a similar program for teaching its employees languages of their partners abroad. He missed this in U.S. companies. As he explained, while Japanese companies prefer to send Japanese overseas, U.S. firms usually choose to hire local nationals.

Since companies can find few Americans fluent in Japanese, and since companies do not seem to be training employees for fluency in Japanese, they usually rely on Japanese nationals to satisfy their language needs. A training director whom I interviewed commented that Japanese-English bilinguals can "... write their own ticket today." This is borne out by my interviews in all companies.

The accounting firm which I visited regularly polls foreign student advisors at U.S. colleges and universities for accounting students with Japanese skills—both U.S. and foreign. (Incidentally it proceeds in a similar manner for Mandarin and Korean skills.) Foreign nationals who are not in accounting programs are not considered for work in the United States, not only because they need this technical expertise for auditing and tax accounting. In addition, the U.S. Immigration and Naturalization Service will grant a visa only to candidates for a job relevant to their training. Thus, it would be difficult for the company to hire foreign nationals with a different background and train them while they are employed.

A Japanese bilingual whom I interviewed observed that U.S. companies in Japan are mainly seeking to hire Japanese nationals as opposed to Japanese-Americans, unless the Americans speak the language fluently. In his opinion a Japanese-American who speaks broken Japanese will have greater difficulty being accepted in Japan than a Caucasian-American.

Companies do not seem to be able to locate enough Japanese who both are proficient in English and have the particular substantive expertise required. One accountant explained that companies were therefore looking more and more at Americans with Japanese language capability. However, he added that it was easier to transform a bilingual Japanese into an accountant than to teach an American accountant Japanese. Once his company did locate bilingual Japanese or American nationals suitable for tax or auditing responsibilities, there was still the danger that the firm would lose them to the investment banking industry. Japanese and American bilinguals with business skills are evidently in great demand in many sectors of the U.S. economy.

How do companies recruit these bilingual individuals? The firm cited above locates students through campus foreign student advisors and then approaches them directly. Companies also place advertisements in student newspapers.

Japanese-American bilinguals are in such great demand that one New York-based information management service has been successfully publishing a recruiting magazine for three years now. Issued four times a year, this magazine consists of advertisements placed by U.S., Japanese, and other international companies seeking bilingual Japanese-English employees. The publication is entirely in Japanese and is sent free of charge to Japanese students, as well as to the fewer numbers of American students of Japanese. The company also visits college campuses and talks to students as part of their recruiting process. The accounting firm which I interviewed had placed a one-page advertisement. An advertisement for a large U.S.-based computer company in the same issue spanned 15 pages.

This recruiting service has three main competitors seeking Japanese-American bilinguals in the United States. One which is headquartered in Tokyo will sponsor its third Career Forum in October 1989. This is cosponsored by an American university and various companies, and last year was attended by 3,500 bilingual students from various colleges and universities in the United States. The sponsors paid for the attendees' transportation.

17. FUTURE TRENDS IN FOREIGN LANGUAGE NEEDS

U.S.-based companies which I interviewed indicated that they probably will be hiring increasingly more foreign nationals for positions overseas. However, at the same time most predicted that they would need more foreign language skills among all of their employees. Companies which are changing their identity and organizational forms to become more global envision a particular need for foreign languages, so that employees can serve on global business teams.

Certainly firms demonstrate a growing need for individuals with Japanese language skills and business expertise. Other geographic areas where companies also require an increasing combination of language and business skills are Latin America, China, and gradually the USSR.

It is of growing importance for technicians and researchers to know foreign languages, as these areas become less and less a domain of the domestic sphere in the United States. And as U.S. companies become more global, the service industries filling their banking, accounting, and consulting needs will have to be more internationally oriented. Employees serving corporate clients will need more international exposure, as one interview partner observed. Foreign languages would seem to play a role here. Or will Americans simply speak more loudly, as one disillusioned manager suggested?

An executive with many years of international experience with his bank reflected on the changes in overseas communication in the past 20 years. In the 1960s, communication by telex was expensive, and telephone calls were rare. Overseas branches sent their accounting information to U.S. headquarters at the end of the year—the "Christmas surprise," as it was termed. This was ultimately changed to monthly reports sent by mail, and only in 1970 did the bank begin sending the reports by cable. Today, the bank has its own electronic mail system. The phone is used extensively, and people fly more. Therefore, the intensity and volume of communication is greater and more immediate. Businesspeople are more mobile, and in general there is a greater mixing of cultures. This trend will increase in the future, but what does it mean for foreign language needs? Many of my interview partners concurred that this will render English more important as the lingua franca of business. However, at the same time they admitted that different cultures must develop a better understanding of each other, which includes being familiar with other languages. One manager described this as a "catch-22" situation. While the world is getting smaller and requires us to be more adaptable to other countries, other countries see a greater need to learn English as a common denominator in the business world.

Indicative of this observation is the reaction which many of my interview partners had to the planned unification of the European markets in 1992. Though many saw that both U.S. and European businesspeople would have to become more multicultural and multilingual, instead of bicultural and bilingual, most predicted that English would become even more necessary in Europe as a common denominator.

There was a clear tendency among my interview partners to view international experience as crucial for the leaders of U.S.-based companies. This seems to be a relatively new recognition, as the current senior management of many of the firms which I interviewed had no significant international experience. Managers in a variety of areas agreed that this must and would change in the future. Foreign language skills do not play a role here for many of these individuals. However, as U.S. businesspeople gain insight into what the new demand for international experience means, perhaps this will change. For the moment, too many would agree with one manager who found that his greatest difficulty in cross-cultural communication was understanding the various forms of English which his business partners spoke—Japanese English, Chinese English, Spanish English, etc.

BIBLIOGRAPHY

Baliga, B.R., and Alfred M. Jaeger. "Multinational Corporations: Control Systems and Delegation Issues." *Journal of International Business Studies* 15, no. 2 (Fall 1984): 25-40.

Barham, Kevin, Jane Fraser, and Laura Heath. *Management for the Future*. Berkhamsted, England: Ashridge Management Research Group, 1988.

Bartlett, Christopher A. "Building and Managing the Transnational: The New Organizational Challenge." In Michael E. Porter, ed., *Competition in Global Industries*, 367-401. Boston: Harvard Business School Press, 1986.

———. "How Multinational Organizations Evolve." *Journal of Business Strategy* 3, no. 1 (Summer 1982): 20-32.

Berenbeim, Ronald E. *Managing the International Company: Building a Global Perspective*. Research Report No. 814. New York: The Conference Board, 1982.

Berryman, Sue E., Paul F. Langer, John Pincus, and Richard H. Solomon. *Foreign Language and International Studies Specialists: The Marketplace and National Policy*. Santa Monica: The Rand Corporation, 1979.

Clarry, John W. "Structures and Processes of Global Strategies." Paper presented at the Fourth Annual Strategic Management Society Conference, Philadelphia, October 10-13, 1984.

Doz, Yves L. "Strategic Management in Multinational Companies." *Sloan Management Review* 21, no. 2 (1980): 27-46.

———. "Managing Manufacturing Rationalization Within Multinational Companies." *The Columbia Journal of World Business*, Fall 1978, 82-94.

Dredge, C. Paul. "Corporate Culture: The Challenge to Expatriate Managers and Multinational Corporations." In Heidi Vernon Wortzel and Lawrence H. Wortzel, eds., *Strategic Management of Multinational Corporations: The Essentials*, 410-424. New York: John Wiley & Sons, 1985.

Edstrom, Anders, and Jay R. Galbraith. "Transfer of Managers as a Coordination and Control Strategy in Multinational Organizations." *Administrative Science Quarterly* 22 (June 1977): 248-263.

1984 Expatriation/Repatriation Survey: Training Programs. Runzheimer Executive Report, No. 31. Northbrook, IL: Runzheimer and Company, Inc., 1984.

Ferguson, Henry. *Tomorrow's Global Executive*. Homewood, IL: Dow Jones-Irwin, 1988.

Garland, John, and Richard Farmer. *International Dimensions of Business Policy and Strategy*. Boston: Kent, 1986.

Gillespie, Kate, and William R. Folks, Jr. "Foreign Language and International Business: The MIBS Program after Ten Years." *Foreign Language Annals* 18, no. 1 (February 1985): 47-52.

Global Competition: The New Reality. Report of the President's Commission on Industrial Competitiveness. Washington, D.C.: U.S. Government Printing Office, 1985.

Hagen, Stephen, ed. *Languages in British Business: An Analysis of Current Needs*. Newcastle upon Tyne: Newcastle upon Tyne Polytechnic Products Ltd., 1988.

Inman, Marianne. *An Investigation of the Foreign Language Needs of U.S. Corporations Doing Business Abroad*. Ph.D. dissertation, The University of Texas at Austin, 1978.

Kobrin, Stephen, J. "Expatriate Reduction and Strategic Control in American Multinational Corporations." *Human Resource Management* 27, no. 1 (Spring 1988): 63-75.

———. *International Expertise in American Business*. IIE Research Report No. 6. New York: Institute of International Education, 1984.

Levitt, Theodore. "The Globalization of Markets." *Harvard Business Review* 61, no. 3 (May/June 1983): 92-102.

Perlmutter, Howard V. "The Tortuous Evolution of the Multinational Corporation." In James C. Baker, John K. Ryans, Jr., and Donald G. Howard, eds., *International Business Classics*, 489-502. Lexington, MA: Lexington Books, 1988.

Pucik, Vladimir. "Strategic Human Resource Management in a Multinational Firm." In Heidi Vernon Wortzel and Lawrence H. Wortzel, eds., *Strategic Management of Multinational Corporations: The Essentials*, 424-435. New York: John Wiley & Sons, 1985.

Schneider, Susan C. "National vs. Corporate Culture: Implications for Human Resource Management." *Human Resource Management* 27, no. 2 (Summer 1988): 231-246.

Spencer, Samia I., ed. *Foreign Languages and International Trade: A Global Perspective*. Athens, GA: The University of Georgia Press, 1987.

Tung, Rosalie L. *The New Expatriates: Managing Human Resources Abroad*. Cambridge, MA: Ballinger, 1988.

About the National Foreign Language Center

The National Foreign Language Center (NFLC) is dedicated to improving the foreign language competency of Americans. NFLC emphasizes the formulation of public policy to make our language teaching systems responsive to national needs in international competitiveness and foreign relations. Its primary tools in carrying out this objective are:

•**Surveys**—NFLC conducts surveys to collect previously unavailable information on issues concerning national strength and productivity in foreign language instruction, and our foreign language needs in the service of the economic, diplomatic, and security interests of the nation.

•**National Policy Planning Groups**—In order to address major foreign language policy issues, NFLC convenes national planning groups that bring together users of foreign language services and representatives of the language instructional delivery systems in formal education, the government, and the for-profit sector.

•**Research**—NFLC conducts research on innovative, primarily individual-oriented strategies of language learning to meet the nation's foreign language needs of the future.

The results of these surveys, discussions, and research are made available through NFLC's publications, such as these *Occasional Papers*, and they form the basis of fresh policy recommendations addressed to national leaders and decision-makers.

NFLC was established in 1987 as part of The Johns Hopkins University with funding from four private foundations: The Exxon Education Foundation, the Ford Foundation, the Andrew W. Mellon Foundation and the Pew Memorial Trusts.